

**STATE RISK MANAGEMENT WORKERS COMPENSATION FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF JULY 31, 2007**

|   | July-07          |               |               |               | Current       | Prior Year    | 3 Years       | 5 Years    |
|---|------------------|---------------|---------------|---------------|---------------|---------------|---------------|------------|
|   | Market Value     | Allocation    | Policy        | Month         | FYTD          | FY07          | Ended         | Ended      |
|   |                  | Actual        |               | Net ROR       | Net           | Net           | 6/30/2007     | 6/30/2007  |
|   |                  |               |               |               |               |               | Net           | Net        |
| <b>LARGE CAP DOMESTIC EQUITY</b>                        |                  |               |               |               |               |               |               |            |
| <i>Structured Growth</i>                                |                  |               |               |               |               |               |               |            |
| Los Angeles Capital                                     | 172,020          | 4.1%          | 4.2%          | -3.21%        | -3.21%        | 21.84%        | 13.35%        | N/A        |
| <b>Total Structured Growth</b>                          | <b>172,020</b>   | <b>4.1%</b>   | <b>4.2%</b>   | <b>-3.21%</b> | <b>-3.21%</b> | <b>21.84%</b> | <b>13.35%</b> | <b>N/A</b> |
| <i>Russell 1000 Growth</i>                              |                  |               |               | -1.55%        | -1.55%        | 19.04%        | 8.70%         |            |
| <i>Structured Value</i>                                 |                  |               |               |               |               |               |               |            |
| LSV   | 166,960          | 4.0%          | 4.2%          | -4.84%        | -4.84%        | 23.77%        | 19.00%        | N/A        |
| <i>Russell 1000 Value</i>                               |                  |               |               | -4.62%        | -4.62%        | 21.87%        | 15.93%        |            |
| <i>Russell 1000 Enhanced Index</i>                      |                  |               |               |               |               |               |               |            |
| LA Capital  | 340,671          | 8.2%          | 8.3%          | -3.86%        | -3.86%        | 21.27%        | 13.46%        | N/A        |
| <i>Russell 1000</i>                                     |                  |               |               | -3.09%        | -3.09%        | 20.43%        | 12.34%        |            |
| <i>S&amp;P 500 Enhanced Index</i>                       |                  |               |               |               |               |               |               |            |
| Westridge   | 366,794          | 8.8%          | 8.3%          | -1.62%        | -1.62%        | 21.12%        | 11.98%        | N/A        |
| <i>S&amp;P 500</i>                                      |                  |               |               | -3.10%        | -3.10%        | 20.59%        | 11.68%        |            |
| <i>Index</i>  |                  |               |               |               |               |               |               |            |
| State Street  | 104,951          |               |               | -4.09%        | -4.09%        | 21.82%        | 12.34%        | N/A        |
| <b>Total 130/30</b>                                     | <b>104,951</b>   | <b>2.5%</b>   | <b>2.8%</b>   | <b>-4.09%</b> | <b>-4.09%</b> | <b>21.82%</b> | <b>12.34%</b> | <b>N/A</b> |
| <i>S&amp;P 500</i>                                      |                  |               |               | -3.10%        | -3.10%        | 20.59%        | 11.68%        |            |
| <b>TOTAL LARGE CAP DOMESTIC EQUITY</b>                  | <b>1,151,396</b> | <b>27.7%</b>  | <b>27.8%</b>  | <b>-3.22%</b> | <b>-3.22%</b> | <b>21.86%</b> | <b>13.76%</b> | <b>N/A</b> |
| <i>S&amp;P 500</i>                                      |                  |               |               | -3.10%        | -3.10%        | 20.59%        | 11.68%        |            |
| <b>SMALL CAP DOMESTIC EQUITY</b>                        |                  |               |               |               |               |               |               |            |
| <i>Manager-of-Managers</i>                              |                  |               |               |               |               |               |               |            |
| SEI   | 191,949          | 4.6%          | 4.6%          | -6.33%        | -6.33%        | 18.39%        | 13.70%        | N/A        |
| <i>Russell 2000 + 200bp</i>                             |                  |               |               | -6.67%        | -6.67%        | 18.76%        | 15.72%        |            |
| <i>Enhanced</i>   |                  |               |               |               |               |               |               |            |
| Research Affiliates                                     | 184,501          | 4.4%          | 4.6%          | N/A           | N/A           | N/A           | N/A           | N/A        |
| <i>Russell 2000</i>                                     |                  |               |               | -6.84%        | -6.84%        |               |               |            |
| <b>TOTAL SMALL CAP DOMESTIC EQUITY</b>                  | <b>376,450</b>   | <b>9.0%</b>   | <b>9.3%</b>   | <b>-6.33%</b> | <b>-6.33%</b> | <b>18.39%</b> | <b>13.70%</b> | <b>N/A</b> |
| <i>Russell 2000</i>                                     |                  |               |               | -6.84%        | -6.84%        | 16.44%        | 13.45%        |            |
| <b>DOMESTIC FIXED INCOME</b>                            |                  |               |               |               |               |               |               |            |
| <i>Core Bond</i>  |                  |               |               |               |               |               |               |            |
| Western Asset   | 754,521          | 18.1%         | 18.6%         | 0.16%         | 0.16%         | 7.29%         | 4.44%         | N/A        |
| <i>Lehman Aggregate</i>                                 |                  |               |               | 0.83%         | 0.83%         | 6.12%         | 3.98%         |            |
| <i>Mortgage Backed</i>                                  |                  |               |               |               |               |               |               |            |
| Hyperion  | 213,212          | 5.1%          | 4.8%          | 0.09%         | 0.09%         | N/A           | N/A           | N/A        |
| <i>Lehman Global Aggregate (US Securitized Portion)</i> |                  |               |               | 1.09%         | 1.09%         |               |               |            |
| <i>Core Plus/Enhanced</i>                               |                  |               |               |               |               |               |               |            |
| Clifton Group   | 211,051          | 5.1%          | 4.8%          | 1.64%         | 1.64%         | 5.52%         | N/A           | N/A        |
| Prudential  | 206,374          | 5.0%          | 4.8%          | -0.29%        | -0.29%        | N/A           | N/A           | N/A        |
| <b>Total Core Plus/Enhanced</b>                         | <b>417,425</b>   | <b>10.0%</b>  | <b>9.6%</b>   | <b>0.67%</b>  | <b>0.67%</b>  | <b>5.95%</b>  | <b>N/A</b>    | <b>N/A</b> |
| <i>Lehman Aggregate</i>                                 |                  |               |               | 0.83%         | 0.83%         | 6.12%         |               |            |
| <i>Index</i>  |                  |               |               |               |               |               |               |            |
| Bank of ND  | 374,782          | 9.0%          | 8.4%          | 1.11%         | 1.11%         | 5.45%         | 2.92%         | N/A        |
| <i>Lehman Gov/Credit (1)</i>                            |                  |               |               | 1.00%         | 1.00%         | 6.00%         | 3.04%         |            |
| <i>BBB Average Quality</i>                              |                  |               |               |               |               |               |               |            |
| Wells Capital (formerly Strong)                         | 744,759          | 17.9%         | 18.6%         | -0.21%        | -0.21%        | 7.93%         | 4.86%         | N/A        |
| <i>Lehman US Credit BAA</i>                             |                  |               |               | -0.06%        | -0.06%        | 7.54%         | 4.47%         |            |
| <b>TOTAL DOMESTIC FIXED INCOME</b>                      | <b>2,504,700</b> | <b>60.2%</b>  | <b>60.0%</b>  | <b>0.27%</b>  | <b>0.27%</b>  | <b>7.11%</b>  | <b>3.89%</b>  | <b>N/A</b> |
| <i>Lehman Aggregate (2)</i>                             |                  |               |               | 0.83%         | 0.83%         | 6.12%         | 4.13%         |            |
| <b>CASH EQUIVALENTS</b>                                 |                  |               |               |               |               |               |               |            |
| Bank of ND  | 127,671          | 3.1%          | 3.0%          | 0.44%         | 0.44%         | 5.36%         | 4.10%         | N/A        |
| <i>90 Day T-Bill</i>                                    |                  |               |               | 0.39%         | 0.39%         | 5.21%         | 3.78%         |            |
| <b>TOTAL RISK MANAGEMENT FUND</b>                       | <b>4,160,216</b> | <b>100.0%</b> | <b>100.0%</b> | <b>-1.37%</b> | <b>-1.37%</b> | <b>12.18%</b> | <b>7.04%</b>  | <b>N/A</b> |
| <i>POLICY TARGET BENCHMARK</i>                          |                  |               |               | -0.98%        | -0.98%        | 10.97%        | 6.74%         |            |

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.